

VZCZCXRO3589
RR RUEHBL
DE RUEHDL #0876/01 3341224
ZNR UUUUU ZZH
R 301224Z NOV 07
FM AMEMBASSY DUBLIN
TO RUEHC/SECSTATE WASHDC 8750
INFO RUEHLO/AMEMBASSY LONDON 2435
RUEHBL/AMCONSUL BELFAST 0643
RUEHBS/USEU BRUSSELS

UNCLAS SECTION 01 OF 04 DUBLIN 000876

SIPDIS

SENSITIVE
SIPDIS

DEPARTMENT FOR EUR/WE - PEASE

E.O. 12958: N/A
TAGS: [SMIG](#) [PGOV](#) [PREL](#) [KHLS](#) [EI](#)
SUBJECT: IRELAND FACING NEW IMMIGRATION AND INTEGRATION
CHALLENGES

SUMMARY

11. (U) The surge in immigration to Ireland during the past decade has presented the Republic with economic opportunities as well as social challenges. Foreign nationals now constitute upwards of 15 percent of Ireland's inhabitants, compared to 10 percent in the U.S. Ireland has used the immigration of predominantly young, highly-educated workers to fuel its "Celtic Tiger" economic boom and most economists predict future economic growth will depend on continued inward migration. Despite past success, government officials are facing new challenges that are forcing them to update immigration and integration policies amid strained public services, new immigrant-concentrated neighborhoods, and slowing economic conditions. Critical of the faltering British and French models of multiculturalism and assimilation, Irish officials are keen to forge a third way which, if successful, could provide Europe with a new model for integration. Ireland's ability to manage its ethnically-diverse population will be of key interest in Europe where in some countries immigration debates have taken on an increasingly anxious tone and anti-immigrant political platforms seem to be gaining popularity. End summary.

YOUNG, SKILLED EASTERN EUROPEANS DOMINATE GROWING IMMIGRANT RANKS ...

12. (U) Ireland took in an estimated 87,000 immigrants between April 2005 and April 2006, according to Ireland's Central Statistics Office (CSO), representing the highest figure recorded since the CSO began tracking migration to Ireland in 11987. Nearly half--43 percent--came from the Central and Eastern European states that joined the EU in 2004, including 24 percent from Poland alone. (Note: Ireland was one of the few EU countries that opened its borders to workers from the new EU member states in 2004. End note.) Eighteen percent of immigrants came from the UK, 12 percent from the rest of the EU, and 27 percent from the rest of the world. According to Ireland's 2006 census, 420,000 foreign nationals currently live in Ireland, or 10 percent of the total population. However, Conor Lenihan, Minister of State for Immigration and Integration, has stated publicly that he believes the census "seriously underestimated" the number of foreign nationals and the non-Irish population could be between 13 and 15 percent of the population.

13. (U) Ireland's immigrant pool is generally young and well educated. More than half, or 54 percent, of foreign nationals are between the ages of 25 and 44, and slightly more than 30 percent have third-level degrees. Research conducted by the Dublin-based Economic and Social Research

Institute (ESRI) found that while the most recent immigrants from the Central and Eastern EU states have a lower level of educational attainment compared to immigrants who came to Ireland in the late 1990s, their educational level is still generally higher than that of the native Irish population.

... BUT ECONOMIC BENEFITS FOR NEWEST ARRIVALS DECLINE

¶4. (U) Numerous studies have shown that immigration has made Ireland richer by creating a virtuous cycle whereby increased economic prosperity combined with an open immigration policy has attracted foreign workers who in turn helped fuel the Celtic Tiger economic boom. Since the mid-1990s the predominantly well-educated immigrant pool increased competition in the high-skill labor market which suppressed wage growth and increased Ireland's competitiveness. Immigration continues to be the key force behind Ireland's labor market with 72 percent of the annual increase in employment accounted for by non-Irish nationals, according to the CSO. However, the shift to predominantly non-English speaking immigrants since 2000 has resulted in most of the recent immigrants taking jobs that are not commensurate with their education level and subsequently earning substantially less than similarly-qualified Irish workers. Minister Lenihan told the IEA that at least 10 percent of immigrants are overqualified for the jobs they currently hold.

¶5. (U) While lack of English language skills is the key reason for the skills mismatch, non-recognition of qualifications is another factor. ESRI research shows that recent immigrants are less likely than previous migrants to be working in managerial, professional, or associate professional occupations. Foreign nationals compose nearly

DUBLIN 00000876 002 OF 004

30 percent of all hotel and restaurant employees, 14 percent of workers in other production facilities, and 13 percent of construction workers, according to the Irish Government's most recent statistics. The disparity between skills and employment has reduced the net benefit of immigration to the Irish economy and increased earnings inequality by driving down low-skill wage levels.

ASYLUM SEEKERS DECLINING AMID TIGHTER POLICIES

¶6. (U) In contrast to the growing number of migrant workers, applications for asylum in Ireland fell in 2006 for the fifth straight year, according to the UN Commissioner for Refugees. Ireland received just over 4,300 applications, or less than 2 percent of all those seeking asylum in industrialized countries. Asylum migrants make up only 4 percent of Ireland's immigrant pool.

¶7. (U) At a public address at the Dublin-based Institute of European Affairs (IEA) in November, Minister Lenihan credited the decline to tighter government policies implemented after a surge in asylum seekers to Ireland in 1999 and 2000 when the Republic received 8,000 applicants annually. Ireland accepts only 10 percent of asylum applicants and, according to Minister Lenihan, the government's policy is successful in countering the fraud that permeates asylum applications.

¶8. (U) Recent government actions to further close loopholes indicate that the number of asylum seekers may continue to decline. Since 2000 most political refugees in Ireland have come from Nigeria and Romania. However, the Irish Government in January announced it would no longer permit citizens from other EU states to apply for refugee status. The move was intended to prevent Romanian immigrants, whose intent is to find a job rather than escape persecution, from settling in Ireland and using the social services available to asylum seekers.

¶9. (U) Jim Power, a leading Irish economist, told econoffs in November that all future economic growth in Ireland requires inward migration, as Ireland currently is fully employed. This view is supported by the latest OECD report which concluded that despite Ireland's population surge, there is still room to increase the labor supply. Ireland's National Training and Employment Authority estimates that the Republic will need 500,000 more migrant workers during the next decade. Minister Lenihan stated at the IEA in November that Ireland must look on its immigrants as a "huge opportunity," and work to move the current underemployed migrants to appropriately skilled areas in order to increase Ireland's productivity.

¶10. (U) There is still much debate in Ireland concerning the impact of a slowing economy on immigrant employment, according to Power, who noted it is still too early to tell if they will be re-employed, unemployed, or leave. Some Irish press reports have suggested that an economic downturn will produce increased competition for jobs, fueling tensions between native and immigrant populations. However, the recent slowdown in Ireland's construction industry indicates that the EU labor market may be flexible enough to mitigate pressures if an economic slowdown is not EU-wide. Irish government officials report that layoffs this year in Ireland's construction sector were not accompanied by a commensurate upturn in unemployment, suggesting that many of the immigrant workers in that sector from EU member states simply returned home to take advantage of Central Europe's burgeoning economies or emigrated elsewhere in the EU. (Comment: However, emigration elsewhere in the EU is not an easy option for immigrants from non-EU nations, such as Nigeria, China, or the Philippines. In the event of an economic recession and an increase in unemployment, such visible immigrants could be the targets of social frustration. End comment.)

¶11. (U) Irish officials suggest, instead, a key problem in the coming years will be retaining skilled workers. Minister Lenihan reported that Ireland has already seen a number of the nurses recruited from the Philippines five years ago "poached" by Canada. CSO data shows just 30 percent of Central European workers who immigrated since 2004 remain in Ireland.

DUBLIN 00000876 003 OF 004

A SHORT HISTORY OF SUCCESSFUL INTEGRATION

¶12. (U) Foreign workers have largely been absorbed into Irish society with limited friction during the last decade. A 2006 report from ESRI found that the incidence of racism in Ireland was lower than in other European countries and surveys of Irish public opinion indicate that, although there are some mixed feelings on immigration, there has been relatively little evidence of a negative attitude. The success of integration to date is probably due to a combination of historical, ethnic and economic factors unique to Ireland. Irish was the most common ethnicity of immigrants from 1995 to 2000, as many emigrants returned home to profit from the early days of Ireland's economic boom. Ireland's current immigrant pool still is predominantly European, educated, and Predominantly (50 percent) Catholic. Moreover, Irish emigrants' own experience with racism may have tempered local attitudes toward new arrivals. A strong economy, consistently low unemployment, and high per capita wealth have also probably mitigated a backlash against new non-Irish workers. Moreover, government policies allowing noncitizens to vote in local elections and join the police force has helped reduce the marginalization of immigrants.

¶13. (U) In response to the rapidly emerging issue of

immigration, the Ministry of Immigration and Integration (led by Minister of State Conor Lenihan) was newly created by Prime Minister (Taoiseach) Bertie Ahern following the May 2007 election. During a meeting with the Ambassador on October 9, Lenihan said that he expects to take about a year to clearly define the role of the new Ministry and get up fully up and running. (Comment: The Taoiseach is said to have more than a passing interest in immigration policy. Reportedly, 52 percent of his North Dublin constituency is comprised of immigrants. End comment.)

GROWING NUMBERS AND CHANGING ETHNICITY ADD CHALLENGES

¶14. (U) The growing proportion of immigrants relative to the native population and the changing and more diverse ethnic background of newcomers, however, will likely make integration more difficult in the future. CSO data shows that in 2001 returning Irish still composed 44 percent of immigrants, but by 2006 they composed only 23 percent. While the largest portion of non-Irish immigrants has come from the new EU member states, prior to 2004 ethnic Chinese comprised the largest non-Irish group of immigrants and remain a sizable number today (with estimates of up to 90,000). Moreover, there is evidence "ghettos" are emerging in and around Dublin dominated by immigrants. Irish press reports indicate that in some urban districts the number of immigrants has risen 120 percent in the last year and in some primary schools in Dublin 50 percent of the students are from non-Irish backgrounds.

¶15. (U) Minister Lenihan has called the emergence of immigrant-concentrated neighborhoods Ireland's biggest integration problem and characterized them as a by-product of the lack of affordable housing. He said in November that he believed both Britain's multicultural and France's assimilation models of integration had failed, producing parallel societies, and Ireland's objective now is to learn from, and not repeat, their experiences. He noted the first steps of his integration plan are to provide immigrants with English language skills and implement a better housing policy.

WELFARE AND SOCIAL SERVICES UNDER PRESSURE

¶16. (U) Ireland's infrastructure and social services have come under severe pressure due to the extraordinary growth in population and economic activity during the past decade. The total population in Ireland increased 16 percent from 1997 to 2006--the second highest rate of increase in the EU after Cyprus. However, studies show that while immigration is straining Ireland's already stressed services, it is not the sole source of the problem. A report by ESRI last year found that immigrant workers were only half as likely to avail of social welfare services as native Irish workers, with the demographic composition of immigrants tempering the amount of services required. According to the CSO, just 10 percent of immigrants entering Ireland are school age children under the age of 15 and just one percent are 65 or older.

DUBLIN 00000876 004 OF 004

¶17. (U) The Government has undertaken measures to mitigate the impact of immigration on services. Prior to the accession of the EU states in 2004, Ireland introduced restrictions to prevent "welfare tourism," requiring immigrants to be habitually resident to receive most forms of social assistance. (Comment: Anecdotal evidence indicates that, because of cheap airfares, some foreign born welfare recipients live in other European countries and fly into Ireland each month to collect their welfare checks. End comment.)

GOVERNMENT POLICIES IMPROVING, BUT MORE CHANGES NEEDED

¶18. (U) Irish officials are rapidly moving to update legislation to keep pace with immigration. An EU-wide study on integration issued by Brussels this year criticized the Republic's policies as having evolved in a "piecemeal and economically-driven" fashion and placed Ireland the bottom of its league table for the provision of long-term residence rights to migrant workers. Currently, migrant workers' security to live in Ireland is based entirely on employment (putting them, critics say, at the mercy of their employers). A proposed immigration bill that is before the Parliament, if passed, will be Ireland's first consolidated piece of legislation on immigration and give permanent residency to migrants.

¶19. (U) The Government this year also replaced a complex work permits regime with a simpler one centered around a "green card." Unlike the U.S. green card, it is simply a two-year renewable work permit that covers all occupations that offer an annual salary of 60,000 euros (USD 88,500) or more and some "strategically important" occupations in the 30,000 euros (USD 44,250) to 59,000 euros (USD 87,000) bracket where shortages exist, such as health care, construction, and financial services.

¶20. (U) Ireland's "green card" is designed to be responsive to filling high-skill shortages as they emerge; however, Jim Power told econoffs that he believes it does not go far enough and a Canadian or Australian-style points system is needed. Shortcomings of the program include prohibitive application fees, bureaucratic delays, and no clear path to citizenship. Irish press reports say that it is difficult for even highly-qualified foreign students to remain in Ireland to work and, according to a PricewaterhouseCoopers report published earlier this year, companies in Ireland report experiencing the most difficulty in the EU recruiting foreigners to senior management and professional positions.

¶21. (U) Minister Lenihan said in November that he advocates a European-led approach to immigration. He suggested that without a common approach there will continue to be unnatural flows of migrants within the EU due to EU countries' disparate policies, social provisions, and economic performance.

COMMENT

¶22. (SBU) Ireland's immigration experience is unique as it has occurred against a backdrop of unprecedented economic prosperity. However, the Republic's enviable position could be altered if the Government does not adequately control the flow, settlement, and integration of migrants, and improve public services. Already there are worrying signs that Ireland has been slow in developing appropriate policies to address long-term challenges. Problems arising from unequal access to education and housing in parts of fast-growing northwest Dublin could worsen if not stemmed, contributing to the emergence of tensions between immigrants and natives seen elsewhere in Europe and leading to an "unvirtuous cycle," whereby Ireland ceases to attract the highly skilled immigrants needed to sustain its economic prosperity. However, if Ireland succeeds in integrating its increasingly ethnically-diverse immigrant population while reaping the economic benefits of a growing labor pool, the Republic's policies could serve as a prototype for other EU countries struggling to attract workers while maintaining social cohesion.

FOLEY